

## Message Text

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17

ACTION EA-09

INFO OCT-01 ISO-00 EB-07 /017 W  
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R 150658Z DEC 75

FM AMEMBASSY MANILA

TO USDA/FAS WASHDC

INFO SECSTATE WASHDC 383

UNCLAS MANILA 17554

FOR ALAN HOLZ/FATS & OILS/FCA

TOFAS 218.

1. HERMENEGILDO ZAYCO, CHAIRMAN OF THE BOARD OF DIRECTORS AND CHAIRMAN OF THE EXECUTIVE COMMITTEE, UCAP, CONTACTED AGATTACHE TODAY ABOUT STATEMENT ATTRIBUTED TO ALAN HOLZ AND MADE AT THE RECENT AGRICULTURAL OUTLOOK CONFERENCE CONCERNING COPRA SMUGGLING.

2. ZAYCO SAID HE WAS SPEAKING FOR BOTH UCAP AND PCA. HE QUOTED THE STATEMENT REPORTED BY DOUGLAS DIES, NATIONAL INSTITUTE OF OILSEED PRODUCTS, FROM A NOVEMBER 21 NEWSLETTER. THE STATEMENT SAID THAT QUOTE LAST YEAR'S WORLD EXPORTS OF COPRA WERE SHORT OF WORLD IMPORTS, LEADING TO THE COMMENT THAT ABOUT 100,000 TONS OF COPRA PROBABLY WERE SMUGGLED OUT OF THE PHILIPPINES TO AVOID THE EXPORT TAX. END QUOTE.

3. UCAP CABLED DIES TWO WEEKS AGO TO REQUEST THAT HE IDENTIFY THE SOURCE OF HIS INFORMATION AND SUBSTANTIATE THE CLAIM. DIES' CABLED REPLY IDENTIFIED HOLZ AS THE SOURCE AND SAID THAT HOLZ REQUESTED TEN DAYS IN WHICH HE WOULD DEVELOP EVIDENCE TO SUPPORT HIS BELIEF THAT SMUGGLING HAD OCCURRED.

4. ZAYCO SAID THAT TEN DAYS HAVE NOW PAST AND UCAP HAS NOT HEARD FROM DIES. HE REQUESTED THAT THE AGATTACHE OBTAIN A CABLED REPLY ASAP WHICH WILL EITHER PROVIDE EVIDENCE TO SUPPORT THE SMUGGLING OR RETRACT THE STATEMENT.

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5. ZAYCO EMPHASIZED THAT THE STATEMENT HAD BEEN PICKED UP BY

HIGH GOVERNMENT OFFICIALS AND THAT HE IS NOW UNDER PRESSURE TO PROVE THAT NO SUBSTANTIAL SMUGGLING IS OCCURRING. HE ADDED THAT HE WAS ALSO ANXIOUS TO HAVE ANY INFORMATION ON COPRA SMUGGLING SO THAT THE PRACTICE COULD BE PUT TO A STOP. APPARENTLY, ZAYCO DOES NOT BELIEVE THAT SUBSTANTIAL COPRA SMUGGLING IS TAKING PLACE.

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## Message Attributes

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**Concepts:** EXPORTS, COPRA, DIPLOMATIC DISCUSSIONS  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
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**Disposition Comment:**  
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**Review Authority:** ElyME  
**Review Comment:** n/a  
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**Review Date:** 23 JUN 2003  
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**Review Transfer Date:**  
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**TAGS:** EAGR, RP, (ZAYCO, HERMENEGILDO)  
**To:** USDA  
**Type:** TE  
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